

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce-Extension of certain incentives under Andhra Pradesh Electronic Policy 2014-20 to M/s. Xi'an LONGI Silicon Materials Corp. to set up High efficiency Solar Cell and Module Production - Issued.

INDUSTRIES & COMMERCE (POLICY & INVESTMENT) DEPARTMENT

G.O.MS.No. 14

Dated: 11-01-2016
Read the following:-

- 1. From M/s. Longi Solar, proposals dt:Nil.
- 2. Empowered Committee of Secretaries Meeting on 09.11.2015
- 3. State Investment Promotion Board Meeting on 17.11.2015.

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ORDER

In the proposal 1st read above, M/s. Xi'an LONGi Silicon Materials Corp. proposes to invest in a manufacturing facility for solar cells and modules with the Capacity of 500 MW at Sri City with an investment of Rs. 1,500 crore, which will create employment for approximately 1,000 persons.

- 2. The generic requests of the Solar Companies are as indicated below:
 - (i) 100% reimbursement of Registration, Transfer & Stamp Duty
 - (ii) 100% reimbursement of Patent Filing Cost
 - (iii) 25% reimbursement of Cleaner Production up to ₹10 lakh
 - (iv) Interest Subsidy of 5% for 7 years up to ₹ 1 crore per year
 - (v) 100% VAT / CST Reimbursement for 10 years up to 100% fixed capital investment
 - (vi) 50% Training & Skill Cost up to ₹10,000 per employee
 - (vii) 24X7 uninterrupted power supply
 - (viii) Power cost reimbursement of ₹ 1-3.5 per unit for 10 years
 - (ix) 100% reimbursement of Quality Certification cost
 - (x) 20% reimbursement of total investment up to ₹ 10 crore
 - (xi) Lowest per unit usage rate for a water treatment plant to be constructed at its cost
 - (xii) Water at concessional rate
- 3. In the reference 2nd read above, the Empowered Committee of Secretaries (EC) has discussed the proposal and in principle approved for the formulation of a generic package of incentives for attracting the solar manufacturers into Andhra Pradesh.
- 4. In the reference 3rd read above, the State Investment Promotion Board (SIPB) have approved the following generic package of incentives for M/s. Xi'an LONGI Silicon Materials Corp. :

Category	Proposed Incentive
Power Subsidy	• 24X7 uninterrupted power supply • ₹ 1.0 per unit for 5 years for capacity between 250 MW – 500 MW of cells and modules • ₹ 1.25 per unit for 5 years for capacity between 500 MW – 1 GW of cells and modules • ₹ 1.5 per unit for 5 years for capacity >= 1 GW of cells and modules

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Quality Certification	- For investment up to and including ☐ 1,500 crore: 50% up to ☐ 2 crore - For investment more than ☐ 1,500 crore: 75% up to ☐ 3 crore
Swachh Andhra	- For investment up to and including ☐ 1,500 crore: 25% up to ☐ 50 crore - For investment more than ☐ 1,500 crore: 50% up to ☐ 50 crore
Water tariff rebate	- For capacity between 250 MW - 1GW of cells and modules: 25% rebate in water tariff, for 5 years - For capacity above 1GW of cells/modules: 50% rebate in water tariff, for 5 yrs
External Infrastructure assistance:	Capacity between 250 MW – 500 MW of cells and modules – Upto ☐3 crores Capacity between 500 MW – 1 GW of cells and modules – Upto ☐5 crores Capacity $\geq$1 GW of cells and modules – Upto ☐10 crores
- Registration, Transfer & Stamp Duty - Capital Subsidy - Interest Subsidy - VAT/CST reimbursement - Cleaner Production - Patent Filing Cost - Skill Upgradation & Training	All these incentives as per AP Electronic Policy 2014-20

5. Government after careful consideration of the recommendations of the SIPB, hereby extend the following incentives/benefits to M/s. Xi'an LONGI Silicon Materials Corp. to set up manufacturing facility for solar cells and modules with the Capacity of 500 MW at Sri City with an investment of Rs. 1,500 crore, which will create employment for approximately 1,000 persons:

- (i) 24*7 uninterrupted power supply
- (ii) Power cost reimbursement of Re. 1.00 per unit for a period of 5 years for capacity between 250 MW – 500 MW of cells and modules, Rs. 1.25 per unit for 5 years for capacity between 500 MW – 1 GW of cells and modules and Rs. 1.5 per unit for 5 years for capacity $\geq$ 1 GW of cells and modules.
- (iii) 50% subsidy on the expenses incurred for quality certification limited to Rs. 2 crore for an investment up to Rs. 1,500 crore and 75% subsidy on the expenses incurred for quality certification limited to Rs. 3 crore for an investment more than Rs. 1,500 crore.
- (iv) 25% subsidy on the Swachh Andhra initiatives limited to Rs. 50 crore for an investment up to Rs. 1,500 crore and 50% subsidy on the Swachh Andhra initiatives limited to Rs. 50 crore for an investment more than Rs. 1,500 crore.
- (v) Water tariff rebate of 25% for capacity between 250MW-1GW of Cells and Modules for 5 years and 50% water tariff rebate for capacity above 1 GW of Cells/Modules for 5 years.
- (vi) External Infrastructure assistance upto Rs. 3 crore for Capacity between 250 MW – 500 MW of cells and modules, upto Rs. 5 crore for Capacity between 500 MW – 1 GW of cells and modules and upto Rs. 10 crore Capacity $\geq$ 1 GW of cells and modules.
- (vii) All other incentives as per AP Electronic Policy 2014-20, which include:
 - (a) 100% reimbursement of the Stamp Duty, Transfer Duty and Registration Fee paid on sale/ lease deeds.

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- (b) Capital Subsidy of 10% of total investment up to Rs. 5 crore.
- (c) Interest Subsidy of 5% for a period of 7 years subject to maximum of Rs. 1 crore per annum per unit.
- (d) 100% Tax reimbursement of VAT / CST for a period of 10 years subject to a maximum of 100% of fixed capital investment.
- (e) 25% subsidy on Cleaner Production Measures limited to Rs. 10 lakh.
- (f) 100% reimbursement of patents filing cost up to a limit of Rs. 5 lakh for domestic and Rs. 10 lakh for international patents.
- (g) 50% reimbursement of the cost incurred subject to a maximum of Rs.10,000 per employee to the companies for providing skill gap trainings to the engineers of AP domicile.
- (h) The electronics industry would be exempted from the purview of statutory power cuts.

6. The Director of Industries, Andhra Pradesh, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.S.RAWAT
SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To
The Director of Industries, A.P., Hyderabad.
M/s. Xi'an LONGI Silicon Materials Corp.
through the Director of Industries, A.P., Hyderabad
Copy to:
The Finance (EBS-VIII) Department.
The Revenue (CT) Department.
The Revenue (Registration) Department.
The water Resources Department
The Law (H) Department.
The Accountant General, Andhra Pradesh, Hyderabad
The Commissioner of Commercial Taxes, Hyderabad
The Vice Chairman & Managing Director, APIIC, Hyderabad.
P.S. to Secretary to Chief Minister
P.S. to Chief Secretary to Government
P.S. to Secretary to Government & CIP, Industries & Commerce Dept.
SC/SF.

//FORWARDED :: BY ORDER//

SECTION OFFICER